

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Uganda

## Coffee Annual

## 2017 Uganda Coffee Report

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**Report Highlights:**

FAS/Nairobi forecasts a modest increase in Uganda's coffee production in the marketing year (MY) 2017/2018 due to harvests from new maturing plantations. Exports are forecast to remain flat leading to a modest increase in ending stocks. Uganda Coffee Development Authority (UCDA) continues implementing the Government of Uganda (GOU) sponsored program that targets to increase yields through increased adoption of improved varieties, and the expansion of planted area.

**Production:**

FAS/Nairobi forecasts a modest increase in Uganda's coffee production in MY 2017/2018 due to harvests from maturing plantations that have been replanted since MY 2011/2012. The replanting of the plantations has been under a program that is implemented by Uganda Coffee Development Authority (UCDA), and aimed at increasing yields through adoption of improved varieties by farmers, increasing the efficiency of farm inputs supply, and the revamping of agricultural extension services. Robusta coffee accounts for about eighty percent of Uganda's coffee production, with the rest being Arabica coffees.

**Marketing:**

Coffee marketing in Uganda is fully liberalized, leading to vibrant producer organizations that aggregate produce from smallholder farmers. Locally incorporated companies are allowed to represent international coffee trading companies and purchase coffee for onward processing and export either from the producer organizations or directly from farmers.

Whereas most of the coffee is exported to markets outside the East African Community, some of the Robusta coffee is taken for processing at the soluble coffee factory in Bukoba in the neighboring Tanzania, and packaged for distribution in the local and regional markets. In addition Uganda has twelve registered coffee plants that roast Arabica coffees for the domestic market.

**Consumption:**

Domestic coffee consumption is low in Uganda and is currently estimated at three percent of the total national production. The low consumption is attributed to low purchasing power and an entrenched tea drinking culture. UCDA, with the support of the Government of Uganda has been implementing programs to promote coffee consumption in both urban and rural areas.

**Policy:**

GOU policies on coffee sector are implemented by UCDA, a statutory regulatory government agency. Currently the coffee sector in Uganda is guided under the National Coffee Policy that was launched in 2013. The key components of the policy are increased productivity; expansion of the coffee area; and the improvement of the coffee business environment. The policy also aims at diversifying coffee markets, promotion of sustainable production systems, value addition, increasing domestic consumption, and improvement of Uganda's coffee research capacity.

GOU does not levy taxes on Uganda's coffee exports but UCDA levies a one percent local tax on all marketed coffee.

**Production, Supply and Distribution (PSD) table**

Coffee, Green Market Begin Year  Uganda	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	352	0	353		354
Area Harvested	0	0	0	0		0
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total Tree Population	0	0	0	0		0
Beginning Stocks	313	313	210	213		163
Arabica Production	750	750	700	700		750
Robusta Production	2900	2900	3000	3500		3600
Other Production	0	0	0	0		0
Total Production	3650	3650	3700	4200		4350
Bean Imports	0	0	0	0		0
Roast & Ground Imports	0	0	0	0		0
Soluble Imports	0	0	0	0		0
Total Imports	0	0	0	0		0
Total Supply	3963	3963	3910	4413		4513
Bean Exports	3500	3500	3600	4000		4000
Rst-Grnd Exp.	0	0	0	0		0
Soluble Exports	0	0	0	0		0
Total Exports	3500	3500	3600	4000		4000
Rst,Ground Dom. Consum	253	250	250	250		250
Soluble Dom. Cons.	0	0	0	0		0
Domestic Consumption	253	250	250	250		250
Ending Stocks	210	213	60	163		263
Total Distribution	3963	3963	3910	4413		4513

(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)

Data Source: UCDA, Global Trade Atlas (GTA) – otherwise FAS/Nairobi Estimates

#### Notes on PSD table

- Area under coffee is forecast to increase due to the ongoing GOU sponsored replanting program
- Production for both Robusta and Arabica coffee is expected to modestly increase the MY 2017/2018 due to harvests from newly matured plantations.
- MY 2016/2017 production has been revised upwards due harvests from newly matured plantations

- MY 2017/2018 are forecast to match those of MY 2017/2018 leading to a modest increase in ending stocks

**Trade:**

Nearly ninety-seven percent of Uganda coffee is exported through direct sales by over thirty companies. However, only ten of these companies control over eighty percent of the business. Italy and Germany remain the leading export destinations for Uganda's coffee.

**Leading destinations for Uganda Coffee Exports**

Export Destination	2013/ 2014		2014/2015		2014/2015	
	Quantity (T)	%	Quantity (T)	%	Quantity (T)	%
Italy	37,750	23%	42,198	26%	42,055	32%
Germany	38,660	23%	29,585	19%	31,789	24%
Belgium	18,611	11%	16,944	11%	16,909	13%
Spain	10,122	6%	10,180	6%	9,849	7%
United States	8,138	5%	9,166	6%	8,500	6%
India	6,752	4%	7,608	5%	9,269	6%
Portugal	5,985	4%	5,676	4%	6,650	5%
France	8,113	5%	7,544	5%	4,590	3%
Morocco	5,251	3%	3,464	2%	3,2 93	3%
South Korea	5,497	3%	3,587	2%	2,534	2.5%

Source: GTA, UCDA